

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

January 22, 2013 – 6:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
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Present: Jim Sides, Chairman
Craig Pierce, Vice-Chairman
Jon Barber, Member
Mike Caskey, Member
Chad Mitchell, Member

County Manager Gary Page, Clerk to the Board Carolyn Barger, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Sides convened the meeting at 6:00 p.m.

Commissioner Pierce provided the Invocation and also led the Pledge of Allegiance.

Chairman Sides recognized Salisbury Post Reporter, Karissa Minn, and stated that she would be providing coverage of the educational systems in Rowan County instead of covering the County Commission Meetings. Chairman Sides also welcomed Steve Mensing with Rowan Free Press.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the minutes of the January 7, 2013 Commission Meeting passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

Chairman Sides moved to add a discussion regarding a meeting he had with the Chairman of the Board of Education concerning a joint meeting between the two (2) boards. The motion was seconded by Commissioner Caskey and passed unanimously

Chairman Sides added the issue as agenda item #2a.

CONSIDER DELETIONS FROM THE AGENDA

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the agenda passed unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Barber moved approval of the Consent Agenda. The motion was seconded by Commissioner Pierce and passed unanimously.

The Consent Agenda consisted of the following:

- A. Authorize Board of Elections to Apply for Title I HAVA Funds Grant
- B. Proclamation Honoring Achievements of William "Pete" Kennedy
- C. Purchase Console Furniture for New 911 Center
- D. Young's Mountain Cell Tower Lease for 800 Public Safety Radio Upgrade

Chairman Sides commented that there were several bids received for equipment for the 911 console center. Chairman Sides said the lowest bid was not selected, as the County was purchasing what it felt to be the best furniture for the new facility.

2. PUBLIC COMMENT PERIOD

Chairman Sides opened the Public Comment Period to entertain comments from any citizens wishing to address the Board. With no one coming forward, Chairman Sides closed the Public Comment Period.

ADDITION

2a. JOINT MEETING WITH THE BOARD OF EDUCATION

Chairman Sides discussed the possibility of a joint meeting with the Board of Education (BOE). The Commissioners agreed that January 30th would be a good date with February 7th as an alternative date. The agreed upon timeframe was 3:00 p.m. to 4:00 p.m.

Commissioner Caskey suggested that the joint meeting take place at a neutral site, if possible.

3. PUBLIC HEARING FOR CDBG-ED GRANT FOR CANAM YARNS

Economic Development Project Manager Scott Shelton explained that CanAm Yarns, a wholly owned subsidiary of Gildan Yarns, wished to submit a \$750,000 Building Reuse and Restoration CDBG-ED Grant. The funds would be used to rehabilitate the former PGT building located at 2121 Heilig Road.

Don Moss of Colliers International and David Hartigan of Hartigan Management were also in attendance.

Mr. Shelton reported that CanAm Yarns would invest more than \$5.8 million in renovations to the facility and add \$44 million of new equipment. The Company would create 170 new jobs within 24 months, with total employment quickly growing to 200.

In order to apply to the program, the Company must partner with the County.

Mr. Hartigan discussed how the CDBG Program worked.

Commissioner Barber asked how many CDBG-ED grants the County could have open at one time. County Manager Gary Page said he could not answer the question. Mr. Page said the County was working to close an old grant.

Chairman Sides questioned the clawback provision and asked if the County could add additional terms or restrictions. Mr. Hartigan said the county could propose the requirement to the Department of Commerce.

Chairman Sides opened the public hearing to receive citizen input regarding the proposed grant application.

With no one wishing to address the Board, Chairman Sides closed the public hearing.

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the Resolution for Rowan County Application for Community Development Block Grant Funding for the CanAm Yarns Building Reuse Project passed 4-1 with Chairman Sides dissenting.

The Resolution read as follows:

WHEREAS, the Board of Commissioners has previously indicated its desire to assist in economic development efforts within the County; and,

WHEREAS, the Board of Commissioners has held two public hearings concerning the proposed application for a Community Development Block Grant to benefit CanAm Yarns; and,

WHEREAS, the Board of Commissioners wishes the County to pursue a formal application for a Community Development Block Grant to benefit CanAm Yarns; and,

WHEREAS, the Board of Commissioners certifies it will meet all federal regulatory and statutory requirements of the Small Cities Community Development Block Grant Program,

NOW, THEREFORE BE IT RESOLVED, by the Rowan County Board of Commissioners that Rowan County is authorized to submit a formal application to the North Carolina Department of Commerce for approval of a Community Development Block Grant for Economic Development to benefit CanAm Yarns.

4. PUBLIC HEARING FOR ZTA 01-12

Senior Planner Shane Stewart presented the staff report for ZTA 01-12 and explained that during a May 2012 meeting of Committee B, it was suggested that

a sub-committee consider developing separation standards for bars/drinking establishments from churches, schools, daycares, etc. At the August Planning Board meeting, the study was directed to Committee A for consideration. Committee A voted unanimously on October 16 to forward a motion to approve the following text changes to the Planning Board.

The following text changes include removal of existing text with strikethroughs while proposed new text appeared in bold red text.

Sec. 21-4. Definitions.

Drinking Place - means an establishment whose principal purpose is to derive income from the sale of alcoholic beverages that are served and consumed on-premise. These establishments, commonly known as bars, pubs, saloons, and taverns, hold themselves out to the public through advertising, signage, or other activities as purveyors of alcoholic beverages served on-premise. Drinking places may also provide limited food services but do not meet the definition of an eating place as defined herein. In determining whether a use meets this definition, the Zoning Administrator may also consider the percentage of income from alcoholic beverage sales, floor plans, and plans / permits from the Rowan County Building Codes Enforcement Department, Rowan County Environmental Health Division, and the North Carolina ABC Commission. Unless otherwise indicated, this definition does not include private clubs, veteran organizations, or wine tasting rooms defined by G.S. 18B-1000 or this ordinance.

Mr. Stewart referred to page 2 under the Drinking Place definition where it read “unless otherwise indicated this definition does not include”, the recommendation was for the Board to strike “private club” and before veteran organization add the term “congressionally chartered”. Mr. Stewart said this would allow an out type use.

Eating Place - means an establishment principally engaged in preparing and serving food and beverages, which may or may not be consumed on-premise, and in which the service of alcoholic beverages are accessory to the service of food and non-alcoholic beverages in terms of sales and square footage. In determining whether a use meets this definition, the Zoning Administrator may also consider the percentage of income from alcoholic beverage sales, floor plans, and plans / permits from the Rowan County Building Codes Enforcement Department, Rowan County Environmental Health Division, and the North Carolina ABC Commission.

Sec. 21-60. Conditional use requirements for specific uses.

(5) Wholesale trade group.

(6) Retail trade group: Drinking Places (alcoholic beverages - SIC 5813).

A. Separation. No drinking place shall be located within one thousand (1,000) feet of a church, public or private school, licensed day care, public park, or another drinking place. This distance shall be measured between the nearest point of operational areas for both the above uses and the proposed drinking place. This separation standard does not apply to non-conforming drinking places seeking approval under this subsection to expand within the existing operational area but does apply to drinking places deemed abandoned or discontinued per Sec. 21-137.

~~(6)~~ **(7)** Services group.

~~(7)~~ **(8)** Unclassified uses: Adult uses.

f. If approved for a conditional use permit, an application and a nonrefundable fee must be presented to the zoning administrator to obtain an adult use license. At a minimum, the application shall include

the following:

1. Sufficient evidence to determine compliance with applicable portions of subsection of 21-60~~(7)~~
~~(8)~~.

~~(8)~~ ~~(9)~~ Racetracks (SIC 7948 (part)).

~~(9)~~ ~~(10)~~ Residential storage facilities.

~~(10)~~ ~~(11)~~ Manufactured home parks.

~~(11)~~ ~~(12)~~ Broadcast towers: SIC 4832 radio and SIC 4833 television broadcasting.

~~(12)~~ ~~(13)~~ Specific conditional use criteria for off-premises signs.

~~(13)~~ ~~(14)~~ Winery, Wine Tasting Room

Mr. Stewart referred to the suggested Statement of Consistency, which was submitted as follows: "The changes will apply to only the CBI districts; and there is no related text in either of the land use plans related to this amendment."

Mr. Stewart said the Planning Board recommended approval unanimously.

Mr. Stewart also pointed out that at the Planning Board's direction, staff sent direct mailings to the individuals they felt would be most likely impacted and to date no responses had been received.

In response to an inquiry from Commissioner Mitchell, Mr. Stewart said there were four (4) abandoned drinking places that would not be allowed to be reopened and four (4) that would be nonconforming but would be allowed to operate under the rules until they were abandoned for one year.

Chairman Sides opened the public hearing to receive citizen input regarding the proposed text amendments. With no one wishing to address the Board, Chairman Sides closed the public hearing.

Commissioner Pierce moved approval of the text amendments as submitted with the modifications as suggested by Staff and the Statement of Consistency. The motion was seconded by Commissioner Barber and passed unanimously.

5. PUBLIC HEARING FOR PCUR 01-12

Chairman Sides read the Chairman's Speech (Exhibit A) and declared the public hearing for PCUR 01-12 to be in session. Chairman Sides said the hearing would focus on an application submitted by William Ratliff Jr. for property located 360 NC 801 Highway. The purpose of the application was to rezone 8.05 acres from Rural Agricultural (RA) to Industrial (IND) with a conditional use district to accommodate a metal recycling facility on Tax Parcels 802-018, 019, 046, & part of 802A-019.

The Clerk swore in those wishing to provide testimony in the case.

Senior Planner Shane Stewart provided the Staff Report (Exhibit B) and a power point presentation (Exhibit C) as he discussed the request. Mr. Stewart said according to the Rowan County Tax Assessor's records, Tax Parcel 802-046, located at 360 NC Hwy 801 in Woodleaf, contained a 3,332 square foot warehouse building constructed (or at least initially assessed) in 1960. In October of 2000, owner Roger Spillman requested the rezoning of this parcel and surrounding parcels totaling 15 acres from RA to Commercial, Business, Industrial (CBI) with no specific uses listed (**Z 19-00**). Minutes from the Planning Board meeting indicated several people in attendance were opposed to the rezoning due to concerns about the unknown future uses and the lack of overall property maintenance. On a 6-3 vote, the Planning Board recommended denial of the request, which was not pursued by Spillman.

Mr. Stewart said Planning Staff met with William Ratliff Jr. in September of 2012 year regarding the establishment of a manufactured home on a vacant parcel near the above facility. The following month, Staff learned Mr. Ratliff was considering purchasing nearly 11 acres from Mr. Spillman, including the warehouse. Staff informed Mr. Ratliff that the current metal recycling operation would require rezoning from RA to IND and obtain a conditional use permit (CUP).

Mr. Stewart said Mr. Ratliff was requesting a parallel conditional use rezoning request to rezone tax parcels 802-018, 019, 046 and part of 802A-019 totaling approximately 8.05 acres from RA to IND with an accompanying conditional use district (IND-CUD) to accommodate a metal recycling center shown on the map (Exhibit D).

Mr. Stewart used the power point presentation (Exhibit C) to depict the site and surrounding area.

Mr. Stewart stated that Mr. Ratliff indicated metal was collected from customers in front of the existing warehouse and distributed into one of many metal containers awaiting shipment to processing centers as shown on the site plan in the Staff Report (Exhibit B). Automobiles are accepted and stored as indicated on the site plan. Three (3) covered shelters totaling 5,700 square feet are proposed for construction within the operational area to protect equipment. An 8 to 10 foot metal fence was proposed to screen the majority of the storage areas. In lieu of a 4 to 5 foot metal fence, the applicant has proposed shrubs along the property frontage for an added screen.

Mr. Stewart said the Planning Board recommended approval 9-0, with conditions.

Mr. Stewart pointed out the Planning Board's Statement of Reasonableness found in the Staff Report (Exhibit B). Mr. Stewart also said staff had received two (2) calls; one (1) from an interested citizen not opposed to the request, but concerned about expansion of adjacent property zoned industrial. Mr. Stewart

stated the other call was from Davie County with an interest in any pollutants or contaminants that may spike on their waste water discharge.

Chairman Sides questioned a listing in attachment A of the Staff Report (Exhibit B), under number 13, stating the Department of Transportation (DOT) had been contacted regarding an environment evaluation. Mr. Stewart stated he had contacted DENR himself and over two (2) months no one from DENR had come to the site. Mr. Stewart said Mr. Ratliff was willing to comply with the standard.

Chairman Sides said it should have been completed prior to the hearing and asked if there would be assurances that would be followed through on. Mr. Stewart responded that as a condition of approval staff would work with the applicant to ensure compliance.

Mr. Stewart reviewed the conditional use criteria contained in the Staff Report (Exhibit B) as follows:

1. All metal must be stored within containers or the existing building (except automobiles);
2. Any non-metal materials removed from items purchased must be disposed within an appropriate container, dumpster, or within the building and not stockpiled on the ground;
3. No junked motor vehicles or other metal may remain in front of the warehouse after hours other than those stored within containers;
4. Add gravel to areas deficient in coverage where equipment operates within 6 months of approval;
5. Install fence / shrubs within 3 months of approval;
6. All metal in rear should remain below the fence height; and
7. Comply with all DENR regulations regarding NPDES permit and all other operational compliance standards.

Mr. Stewart reviewed the procedural steps for the Board.

STATEMENT OF REASONABLENESS

“Appears to be consistent with permitted uses in the requested zoning district; multiple zoning uses are in adjacent parcels; will not generate significant noise or odor; no residential structures within 200 ft.”

STATEMENT OF CONSISTENCY

“Consistent with requested zoning district’s purpose and intent; Hwy 801 is considered a thoroughfare; requested zoning change appears to have minimal impact on surrounding areas; is compatible with both the Eastern and Western Land Use Plans.”

FINDINGS OF FACT

1. The development of the property in accordance with the proposed conditions will not materially endanger the public health or safety.
FACT: Adhering to the approved NCDOT commercial driveway permit suggests this site will provide safe access to the general public and not adversely impact traffic along NC 801 Hwy.
FACT: This site is located ½ mile from a certified water point source.
FACT: Condition of approval #7 will ensure compliance with all NCDENR regulations including potential NPDES standards.
2. That the development of the property in accordance with the proposed conditions will not substantially injure the value of adjoining or abutting property, or that the development is a public necessity, and;
FACT: No material evidence was presented suggesting this request would injure property values.
3. That the location and character of the development in accordance with the proposed conditions will be in general harmony with the area in which it is located and in general conformity with any adopted county plans.
FACT: According to the Zoning Ordinance, IND zoning districts are typically applied in areas with significant transportation systems or in other locations that are compatible with surrounding areas and where the overall public good is served. The surrounding community rendered no opposition at either the Planning Board or Board of Commissioners' meeting.
FACT: NC 801 Highway is classified as a major thoroughfare by the CRMPO thoroughfare plan.
FACT: The anticipated impacts related to this operation are not a significant deviation from those associated with uses allowed in the RA district with Special Requirements. Additionally, salvage yards are permitted as a conditional use in RA.
FACT: Site operations are visible to only three (3) residences.
FACT: Board imposed conditions regarding material storage, fencing / landscaping, and additional gravel will reduce visual and dust impacts for surrounding properties and passersby.
FACT: Site operations consist of collecting, sorting, and transporting metals and do not include processing such as metal cutting or shredding.
FACT: The Eastern Rowan Land Use Plan recognizes expansions to existing businesses that minimize conflict with surrounding properties may be reasonable. Even though this property is located within the Western Plan, general statements and recommendations in this plan have merit for all areas of the county.

Commissioner Pierce questioned the Statements of Consistency and compatibility with both the eastern and western land use plans (LUP).
Commissioner Pierce asked if there was something that could be adopted that

said the western LUP mirrored the eastern LUP as far as these types of exceptions.

Mr. Stewart said the land use plan was a guide and that the Planning Department did not want to physically amend the LUP for whatever purpose, either for a deviation on the map or a text. Commissioner Pierce said his reasoning for the question was due to the language for the statement of reasonableness. Commissioner Pierce pointed out that the opening statement said it appeared to be consistent with permitted uses within a requested zoning district. Commissioner Pierce said it was fuzzy and that was why he was asking if there was something that could be done to clean this up to make the statements consistent with both land use plans.

Mr. Stewart offered the Statements as verbatim from the Planning Board. Mr. Stewart said in the Findings of Fact (Exhibit D) there was some merit in transitioning those facts over to statements and trying to duplicate those of benefit.

Chairman Sides asked Mr. Ratliff if he cared to comment. Mr. Ratliff, the applicant, said he was not opposed to the project.

Chairman Sides asked if Mr. Ratliff had any problems with the recommendations made so far, or qualifications, based on meeting the DENR standards to which Mr. Ratliff responded he did not. Mr. Ratliff said he had made repeated contact with DENR. Mr. Ratliff went on to say that all of the stipulations concerning the shrubbery and trees contained in the plan would be met within the timeframe.

Commissioner Barber moved to adopt the Statement of Reasonableness and the Statement of Consistency as presented.

Commissioner Pierce requested to add to the motion the Findings of Fact (Exhibit D) to approve the request to the statements of reasonability. The motion was seconded by Commissioner Pierce and passed unanimously.

Commissioner Barber moved to approve the rezoning request. Commissioner Pierce seconded and the motion passed unanimously.

Commissioner Pierce moved to accept PCUR 01-12 and SNIA 03-12. Commissioner Barber seconded and the motion passed unanimously.

6. PUBLIC HEARING FOR Z 07-12

Senior Planner Shane Stewart provided the background information, as well as a power point presentation regarding Z 07-12. Mr. Stewart said in September of 2012, Lanny Corriher met with Planning Staff regarding options to subdivide his 6.7 acre parcel to establish a new home on Tax Parcel 111-067 located at 149 Mellondale Lane in China Grove. Staff informed Mr. Corriher of his options but

advised him to also contact his lender since the property is zoned Commercial, Business, Industrial (CBI) and due to apparent difficulties in obtaining financing for residential uses within non-residential districts.

In considering the zoning map and the current property use within the area, Mr. Corriher spoke with five (5) of his family members to join his petition for a batch request to rezone the following parcels from CBI to Rural Agricultural (RA).

Mr. Stewart said the Planning Board voted unanimously to approve the request on November 26, 2012. Mr. Stewart said the Planning also recommended the following Statement of Consistency:

“The intended use is consistent with the zoning district’s permitted uses; it matches surrounding zoning districts; and there is no impact on schools, utilities, etc.”

Commissioner Pierce asked if the Board could have the option stated to allow for an AG overlay on a larger undeveloped portion of land which would allow for a family but no major subdivisions. Commissioner Pierce said the property was currently in the CBI overlay and the RA would open the property up for large development. Commissioner Pierce said by putting the AG overlay on the property there would be restrictions on the property so it would remain in the family. Commissioner Pierce stated that the ETJ for China Grove adjoined the property and there would be temptation to let the property go as residential development.

Chairman Sides said he would accept and entertain Commissioner Pierce’s comments as part of a motion later in the hearing.

The petitioner, Lanny Corriher, addressed the Board. Mr. Corriher said his youngest son wanted to put a house there but bank would not grant a loan in a CBI district. Mr. Corriher said he had no objections to the Ag overlay.

Chairman Sides opened the public hearing to receive citizen input regarding Z 07-12. With no one wishing to address the Board, Chairman Sides closed the public hearing.

Commissioner Mitchell moved to approve Z 07-12 and to adopt the Statement of Consistency as recommended by the Planning Board. The motion was seconded by Commissioner Barber and passed unanimously.

Mr. Stewart responded to a question from Commissioner Mitchell concerning the wording for the AG overlay as opposed to the straight rezoning. Mr. Stewart said no family owners had been talked to about implications the AG overlay could have. Mr. Stewart said there would be an increase in the setback to fifty (50) feet and there would be restrictions to family members only should parcels be

conveyed. Mr. Stewart stated that when the overlay was included in the staff report, it was more towards the larger tract of land and the nearby utilities. Mr. Stewart said the overlay was an option but he did not have an idea about the other 4 or 5 family member's interests.

Chairman Sides asked if the Board could pass the motion with the stipulation that the family work with staff on the language. Mr. Stewart responded that the language was currently in the ordinance. Mr. Stewart said the overlay was used only in a few areas of the county but he thought if the Corrihers were deeding property directly to family members they should be okay.

Chairman Sides questioned the family members present in the audience and they nodded their agreement to the stipulation.

Commissioner Mitchell moved to rezone from CBI to RA with an AG overlay. Chairman Sides seconded.

Attorney Dees questioned whether all tracts were included and Mr. Stewart confirmed all parcels, 1-10, were included.

Upon being put to a vote, the motion passed unanimously.

7. CONSIDER CITIZEN PETITION FOR FIRE PROTECTION

Emergency Services Director Frank Thomason and Fire Marshal Aaron Youngblood discussed a request that had been received from a group of citizens for them to be provided fire protection by a different fire district than the one currently provided.

Mr. Youngblood said in a petition dated September 7, 2012 a greater than two-thirds majority of the homeowners in the Wellington Estates subdivision off Moose Road requested consideration by Rowan County to a transfer of fire protection districts from Mount Mitchell Fire District to Bostian Heights Fire District. The request and petition is in accordance with North Carolina General Statute § 69-25.11. The submitted petitions signatures were verified as the recognized property owners utilizing Rowan County tax records and was subsequently confirmed to be valid for consideration.

Mr. Youngblood said in order to comply with North Carolina General Statute § 69-25.11(4), once a petition is received by the County, a favorable recommendation signed by the Fire District Tax Commissioners and the Board of Directors from each affected fire district must also be received before final consideration by the County's Board of Commissioners. A notification letter outlining the process was sent to the Board President and Chief of both involved fire departments requesting their concurrence to the request by January 1, 2013.

Mr. Youngblood said a letter of concurrence was received from the Bostian Heights Fire Department; however, no letter was received from the Mount Mitchell Volunteer Fire Department (VFD). Mr. Youngblood said when he had contacted Scott Thomas, President of the Mount Mitchell Board of Directors, he stated the Department did not endorse the transfer. It was the consensus of the Board of Directors that Wellington Estates would be better served by remaining in the Mount Mitchell Fire District.

Mr. Youngblood said without a favorable recommendation the County could not proceed in accordance with the applicable North Carolina General Statute.

Mr. Youngblood reviewed the options available to the Commissioners and said it was the recommendation of the Fire Division for the Commissioners to consider option #3:

Under North Carolina General Statute § 153A the Board of Commissioners can create a County Service District with new boundaries for each affected fire district. After creation of the new County Service Districts the Board of Commissioners could cease levying the Rural Fire Protection District tax and could impose the tax rate in the newly established County Service Districts to fund fire protection services.

Chairman Sides said the citizen involved in the petition had met with him. Chairman Sides said the process was legal that was undertaken by the citizen and the neighborhood wishing to have fire protection from another fire department. Chairman Sides said staff had performed a study to determine if one fire district versus another fire district could provide as good or better fire protection. Chairman Sides said he had determined it was the right thing to do to put the neighborhood in the district being requested. Chairman Sides said Mount Mitchell was not willing to give up the area. Chairman Sides said it was up to Board whether to proceed with the options presented. Chairman Sides stated he was in favor of proceeding.

Commissioner Barber moved to ask Staff to pursue Option 3. The motion was seconded by Commissioner Pierce.

Commissioner Barber stated the main concern was the areas around the Mount Mitchell VFD that had been absorbed by other fire districts in Cabarrus County. Commissioner Barber said that everything the Chairman had said was correct in that he did not like moving fire districts either but it was time to move forward.

Chairman Sides said one thing not stated in the conversations with Mount Mitchell was the nine rating versus the six rating for Bostian Heights. Chairman Sides said he would like Mount Mitchell to present a plan to the Board as to what assistance was needed for their district to achieve a six rating. Chairman Sides suggested an option of increasing the fire tax to give more funds to obtain the

rating and said the increase should be done for every fire department in the county in order to obtain the best rating possible. Chairman Sides said the better rating would provide a better level of safety to the citizens. Chairman Sides the Board was open to suggestions from Mount Mitchell as to what could be done to assist in increasing their rating.

Upon being put to a vote, the motion to proceed with Option 3 passed unanimously.

Commissioner Barber moved to set the public hearing for either February 4th or 18th as necessary to meet the notice of public hearing requirements. Commissioner Pierce seconded and the motion passed unanimously.

8. CONSIDER PROPOSED SALES TAX INCREASE

Commissioner Pierce explained that the Board was being asked to consider a potential sales tax revenue option that would result in giving the County the ability to fund some of its capital improvement projects without increasing the current debt service, give the property tax owners some relief from their present tax burden and absorb the increase in scheduled taxes caused by the construction at Rowan Cabarrus Community College (RCCC).

Commissioner Pierce said the Commissioners were not here to impose a 1 cent sales tax but rather ask that the matter to go on a ballot for the citizens of Rowan County to vote on. Commissioner Pierce said what the proposal entailed would be to earmark ¼ cent of the sales tax to go toward capital improvements. Commissioner Pierce said by earmarking the ¼ cent and going forward, approximately \$2 million would be generated per year to go into the capital improvement fund. Commissioner Pierce said the remainder of the money would be distributed among the ten (10) municipalities allowing each to share in the revenue. Commissioner Pierce went on to say that with the balance, the current property tax rate could be cut a minimum of two (2) cents. Commissioner Pierce said the proposal would also allow the county to absorb the 2 ½ cent tax increase voted on in 2010 for the construction at RCCC. Commissioner Pierce stated the proposal would not only cut the tax rate but put off an increase and provide revenue to the municipalities and allow for planning of capital improvements. Commissioner Pierce said approximately forty-two percent of the residents in Rowan County are property owners with the balance not paying property tax. Commissioner Pierce then reviewed how he arrived at the statistics. Commissioner Pierce said the idea was to spread the expenditures of the county out evenly on all citizens.

Chairman Sides said there had been quite a bit of discussion earlier in the afternoon during the Board's work session and he wanted to give the Commissioners the opportunity to share those same comments.

Commissioner Barber said the Board went through the same process back in 2009 when a ¼ cent sales tax was approved due to mandates for new 800 radios and a new jail. Commissioner Barber said voters should decide the proposed tax rate being discussed.

Commissioner said the proposal would not close the gap of tax exempt properties but it was a good starting point. Commissioner Barber said the important issue for the citizens to understand was that voters would make the decision, not the Board of Commissioners.

Commissioner Caskey said the plan was put together well and if it was passed by the citizens and implemented, it would be a tax increase. Commissioner Caskey said there was some relief for property owners and they would eventually use up that relief and pay the difference. Based on the current economy, Commissioner Caskey did not feel it was the time to be raising taxes. Commissioner Caskey said it was a good plan; however, he would not vote for a tax increase.

Commissioner Mitchell said the idea of a pay as you go plan had been around a long time with the creation of a fund to pay for needed capital improvements rather than borrowing. Commissioner Mitchell said the idea of 1 cent sales tax had three (3) major issues; the first being fairness. Commissioner Mitchell asked who actually pays taxes and used Commissioner Pierce's figure of as many as 41 percent of the citizens do not pay property taxes. Commissioner Mitchell said those who are not paying property taxes are receiving benefits from the government yet are not participating in the funding. Commissioner Mitchell brought up the fact that a huge burden was placed on the property owners in Rowan County. Commissioner Mitchell said his hope was that the General Assembly would undertake significant tax reform where the tax burden would be shifted. Commissioner Mitchell pointed out that if one rented a home, the owner of the home was calculating the property tax debt into the rent, so the renter was still paying the tax. Commissioner Mitchell's second issue was that tax reform would be good but could be a negative to this proposal. Commissioner Mitchell said while he was not opposed to the proposal, he felt if the General Assembly undertook a plan to reform the tax code and broadened the tax base, there would be no way the General Assembly would give the County the proposed increase. Commissioner Mitchell said the tax reform could take several years. Commissioner Mitchell said in a fairly short period of time, there would need to be some modifications on the tax.

Commissioner Mitchell said his third and final issue dealt with the use of funds. Commissioner Mitchell said that if the proposal was approved and enacted, there would be nothing requiring the Board, or future Boards, from reducing property taxes. Commissioner Mitchell said there was no legal requirement that the property tax was decreased commensurate with whatever extra revenue was brought in.

Commissioner Mitchell said the proposal was something to seriously consider and if the General Assembly did give permission it would create a fairer tax revenue stream in Rowan County. Commissioner Mitchell said he supported sales tax over property tax and it was time to implement sales tax over income or property tax and to start taxing consumption. Commissioner Mitchell stated he would support sending the request to the local delegation for consideration by the General Assembly.

Commissioner Pierce said the Board of Commissioners could not oversee the ten (10) municipalities. Commissioner Pierce stated it was only fair that if the one cent proposal does become fact, the municipalities should receive their distribution and let each use how they see fit. Commissioner Pierce said it would be up to each municipality to reduce their tax rate.

Commissioner Pierce felt it important to let everyone know there were proposals in Raleigh, but he felt that some things that start in Raleigh can take a decade before being implemented.

Commissioner Pierce asked to table the discussion based on issues some of the Commissioners had talked with him about. Commissioner Pierce asked to table this discussion until the February 4th meeting prior to taking a vote. Commissioner Barber seconded the motion.

Chairman Sides said that before a vote was taken, he wanted to make a few comments. Chairman Sides said when the County Commissioners needed money there were only two places to get the money, which was property taxes or from sales tax. Chairman Sides said if it cost \$125 million to run the County and provide the services that citizens want, the revenue has to come from somewhere. Chairman Sides said in the past, the County could depend on growth in the tax base each year and now the County did not have that growth.

Chairman Sides said that in looking at this year's projection, there would maybe a half million dollars left over at the end of the year. Chairman Sides said if costs go up a million dollars, there is a half million to cover the other half would have to come from the taxpayers. Chairman Sides said there needed to be an understanding that could come a time that property taxes would need to be raised. Chairman Sides said that one thing about this proposal was there was a provision for reducing property taxes and that meant that 42 percent of the people in the County would get a tax cut and that 58 percent would get a tax increase due to their paying sales tax.

Chairman Sides said what he liked about the plan was it had to go to the legislature first. Chairman Sides said the legislature could vote to institute the one cent sales tax without a vote of the people, which he would oppose, or the legislature could vote to allow the County to put it on the ballot for the tax payers to vote on, which he would support. Chairman Sides said he did not like a tax

increase, but he recognized the need for one. Chairman Sides said he would be in favor of allowing the voters to pick and choose whether they want the sales tax.

Upon being put to a vote, the motion on the floor passed unanimously.

9. REPORTS

Chairman Sides said the Board would accept the Community Child Protection Team's Annual Report for 2012 as submitted.

10. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments for the Board's consideration:

- Social Services – Additional funding for Low Income Energy Assistance and Crisis Intervention Payments to assist clients. Also, additional funding for Administration for the Crisis Intervention Program – \$556,432
- Finance – To revise the fire departments budgets to allow for increased collections - \$172,000

Commissioner Mitchell moved approval of the budget amendments as presented. The motion was seconded by Commissioner Barber and passed unanimously.

11. CLOSED SESSION

Commissioner Mitchell moved that that the Board enter Closed Session at 7:34 p.m. pursuant to North Carolina General Statute § 143-318.11(a)(1) to prevent the disclosure of information that is privileged or confidential and pursuant to North Carolina General Statute § 143-318.11(a)(6) for personnel. The motion was seconded by Commissioner Pierce and passed unanimously.

The Board returned to Open Session at 8:21 p.m. No action was taken

12. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 8:21 p.m. The motion was seconded by Commissioner Mitchell and passed unanimously.

Respectfully Submitted,

Carolyn Barger, CMC, NCCCC
Clerk to the Board/
Assistant to the County Manager